

GENERAL SERVICES DEPARTMENT

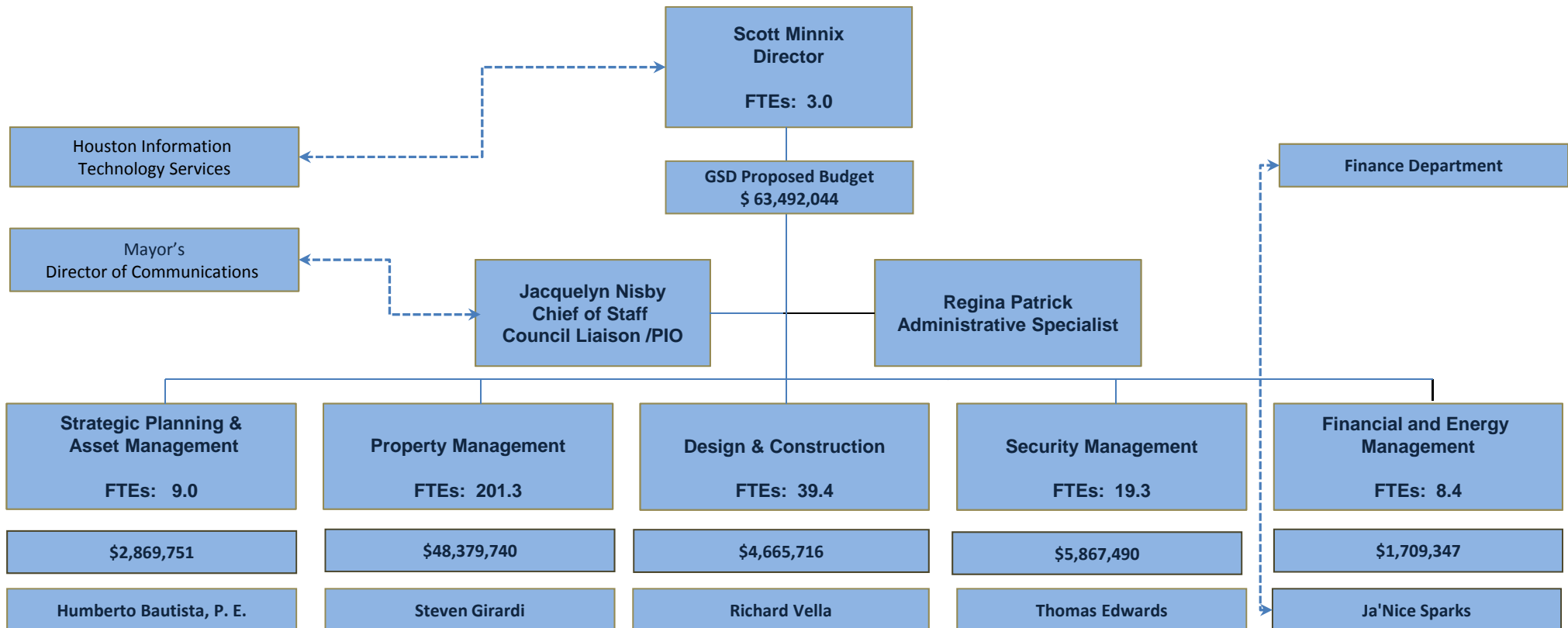
FY2015 BUDGET AND CORE SERVICES PRESENTATION

SCOTT MINNIX
DIRECTOR

June 4, 2014



ORGANIZATIONAL STRUCTURE



TOTAL NUMBER OF FTEs: 280.4

BUDGET SUMMARY-ALL FUNDS

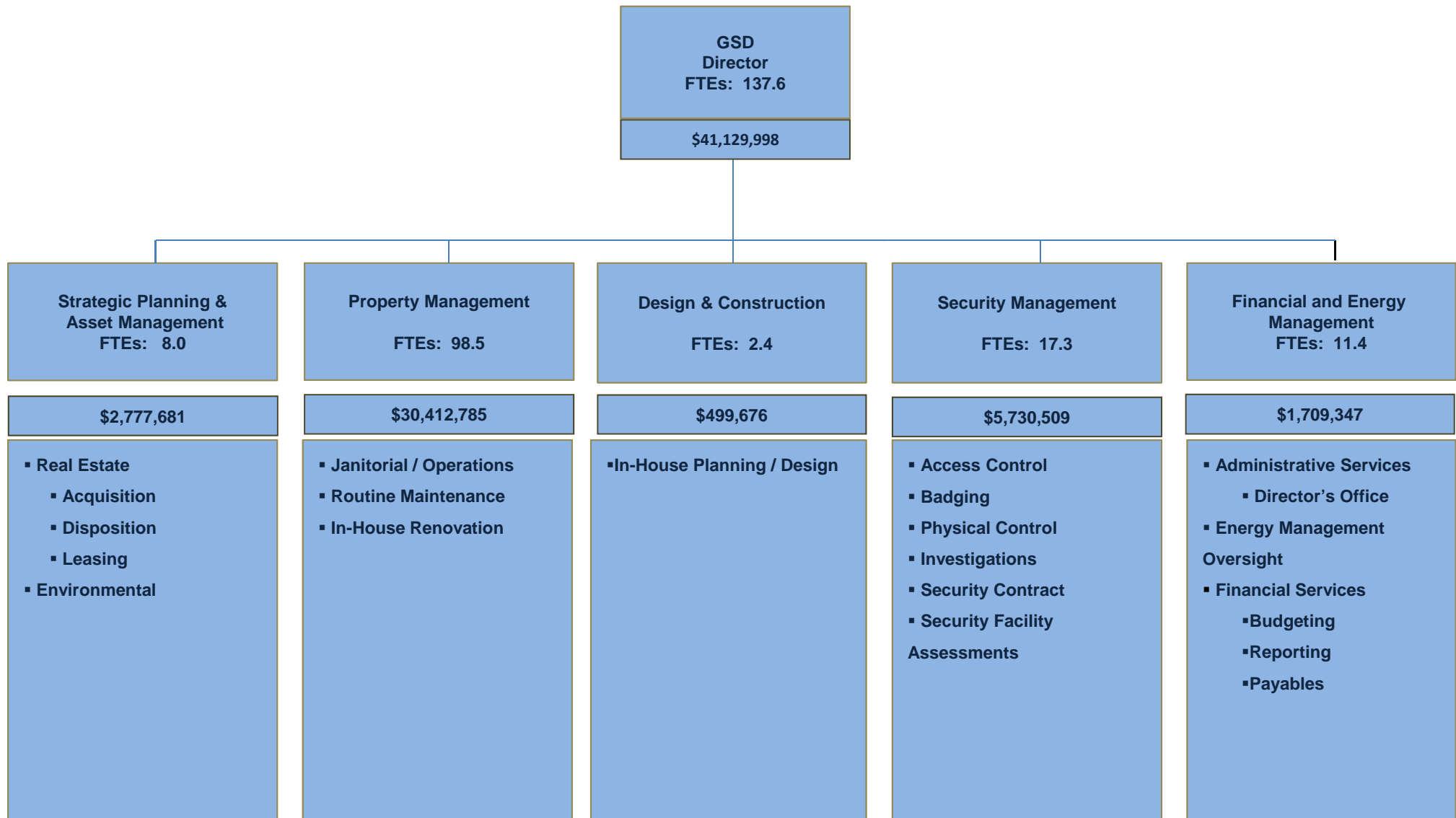


(IN MILLIONS)

Fund	Fund Name	Revenue		Revenue		Expenditure		Expenditure		Fund Balance	Fund Balance
		FY14 Budget	FY15 Proposed	+/- Variance	% Change	FY14 Budget	FY15 Proposed	+/- Variance	% Change	FY14 Budget	FY15 Proposed
1000	General Fund	\$5.6	\$5.4	(\$0.2)	(3.6%)	\$50.8	\$41.1	(\$9.7)	(19.1%)	\$0.0	\$0.0
1001	Project Cost Recovery	\$3.4	\$4.3	\$0.9	26.5%	\$3.4	\$4.3	\$0.9	26.5%	\$0.0	\$0.0
1003	In-House Renovation	\$5.8	\$5.3	(\$0.5)	(8.6%)	\$5.8	\$5.3	(\$0.5)	(8.6%)	\$0.02	\$0.02
2222	Maintenance, Renewal and Replacement	-	\$12.8	\$12.8	100%	-	\$12.8	\$12.8	100%	\$0.0	\$0.0
Total		\$14.8	\$27.8	\$13.0	87.3%	\$60.0	\$63.5	\$3.5	5.8%	\$0.02	\$0.02

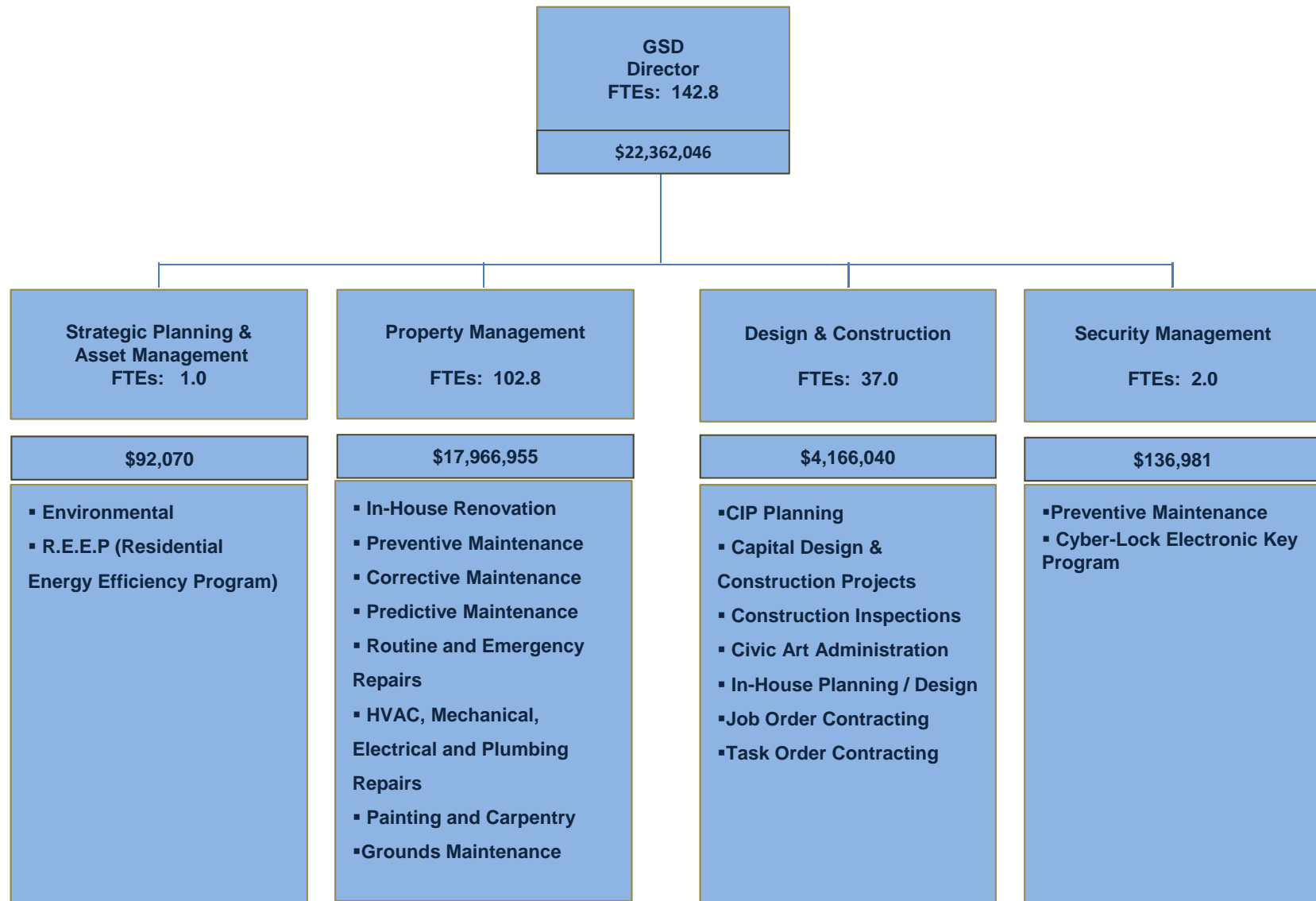
GENERAL SERVICES DEPARTMENT

FUNCTIONS-GENERAL FUND



GENERAL SERVICES DEPARTMENT

FUNCTIONS-OTHER FUNDS



GENERAL SERVICES DEPARTMENT

FY2015 DEPARTMENT INITIATIVES



Strategic Planning & Asset Management

- Procure a real estate management software system to integrate with other division systems and to enable GSD staff to have the right information at the right time to make informed business decisions about space, acquisitions, dispositions, and leases.
- Continue to negotiate leases as appropriate to maximize value to the City while offsetting City operating expenses.
- Conduct due diligence activities for surplus properties.
- Close the sale on 1701 Allen Parkway Site (Gillette).

Property Management

- Continue to address Facilities Condition Assessment Priority 1 and Priority 2 projects (minor repairs).
- Continue implementation of preventive maintenance teams to address maintenance in a proactive manner.
- Select vendor for vending machine contract with 50% healthy selection goals.
- Update Service Level Agreements to align with departmental needs and expectations by the end of FY2015.
- Add Fleet Management Department facilities to the GSD facility management portfolio.
- Continue to reduce energy use in GSD managed buildings and increase sustainable and resource conservation in the core civic buildings.
- Complete procurement process for selection of Property Management/Building contract for city buildings occupied by PWE employees.

Design & Construction

- Procure a project management software system to improve planning, scheduling, and budget for all projects.
- Working with our clients to implement total Integrated Building Technology.
- Continue to address Facilities Condition Assessment Priorities 1 and 2 projects (capital projects).
- Continue to Implement Innovative Sustainable Design.

Security Management

- Continue to address Security Facility Assessments Priority 1 and Priority 2 projects.
- Complete 80 security facility assessments which will include recommendations for improving security at each location.
- Migration of access, CCTV and intrusion systems to HITS network which will save the City more than \$80,000 annually through the elimination of telephone lines.

TOTAL REVENUES BY FUND

(IN MILLIONS)



Fund	Fund Name	FY13 Budget	FY13 Actual	FY14 Budget	FY14 Estimate	FY15 Proposed	Variance +/- \$	% Change
1000	General Fund	\$7.1	\$7.1	\$5.6	\$5.4	\$5.4	\$0.0	0.0%
1001	Project Cost Recovery	\$2.9	\$2.7	\$3.4	\$3.4	\$4.3	\$0.9	26.5%
1003	In-House Renovation	\$5.8	\$4.8	\$5.8	\$5.2	\$5.3	\$0.1	1.9%
2222	Maintenance, Renewal and Replacement	\$0.0	\$0.0	\$0.0	\$0.0	\$12.8	\$12.8	100.0%
Total		\$15.8	\$14.6	\$14.8	\$14.0	\$27.8	\$13.8	98.6%

GENERAL SERVICES DEPARTMENT

TOTAL EXPENDITURES BY FUND



(IN MILLIONS)

Fund	Fund Name	Revenue FY14	Revenue FY15	+/-	%	Expenditure FY14	Expenditure FY15	+/-	%	FTEs FY14	FTEs FY15
		Budget	Proposed	Variance	Change	Budget	Proposed	Variance	Change	Budget	Proposed
1000	General Fund	\$5.6	\$5.4	(\$0.2)	(3.6%)	\$50.8	\$41.1	(\$9.7)	(19.1%)	191.3	137.6
1001	Project Cost Recovery	\$3.4	\$4.3	\$0.9	26.5%	\$3.4	\$4.3	\$0.9	26.5%	32.8	38.0
1003	In-House Renovation	\$5.8	\$5.3	(\$0.5)	(8.6%)	\$5.8	\$5.3	(\$0.5)	(8.6%)	29.5	30.0
2222	Maintenance, Renewal and Replacement	\$0.0	\$12.8	\$12.8	100.0%	\$0.0	\$12.8	\$12.8	100.0%	0.0	74.8
Total		\$14.8	\$27.8	\$13.0	87.8%	\$60.0	\$63.5	\$3.5	5.8%	253.6	280.4

GENERAL SERVICES DEPARTMENT

FY2015 EXPENDITURE HIGHLIGHTS



- Transfer of \$10,961,542 (66.8 FTEs) to the newly created Maintenance Renewal and Replacement Special Revenue Fund (2222) to support preventive and corrective maintenance at our city facilities;
- Increased funding of \$189,081 for janitorial services to support new contracts;
- Increased funding of \$297,848 for operational costs allocation for new capital projects;
- Increased funding of \$252,413 for management of PWE (FMD) Fleet facilities.

GENERAL FUND -1000

FY2015 EXPENDITURE HIGHLIGHTS



An increase of \$832,754 in the budget expenditures from the previous fiscal year includes an annualized cost for an additional 12 FTEs approved by the Finance Department in FY2014 to support:

- Increased project management workload resulting from the 2012 bond election in the amount of \$395M for projects administered by GSD, including the approval of \$28M for Priorities 1 & 2 projects identified in the Facilities Condition Assessment report. In addition, GSD is tasked to support \$215M in projects funded by the Bayou Greenways Initiative and the Transportation Investment Generating Economic Recovery (TIGER) Grant, totaling \$610M in projects.

PROJECT COST RECOVERY FUND -1001

FY2015 EXPENDITURE HIGHLIGHTS



An increase of \$1,764,055 in the budget expenditures of citywide electricity and natural gas from the previous fiscal year as forecasted and approved by the Finance Department based on current market conditions.

- Four FTEs transferred to the Finance Department due to consolidated accounts payable and reporting functions.
- The role of Energy Management will remain the responsibility of the GSD. This role includes managing energy from a property management aspect by integrating electronic analysis of data with on-site monitoring to identify equipment and operational deficiencies in order to optimize the City's energy usage.
- The City of Houston has been recognized by the Environmental Protection Agency (EPA) for the fourth year in a row as the No. 1 municipal purchaser of green power.
- The City of Houston is listed seventh in the nation by EPA for metropolitan areas with most buildings certified under the Energy Star Efficiency Program.

CENTRAL SERVICE REVOLVING FUND -1002

FY2015 EXPENDITURE HIGHLIGHTS



FY2015 budget includes funding for major renovations at Fire Stations 68 and 13.

Address Facilities Condition Assessment
Priorities 1 and 2 projects.

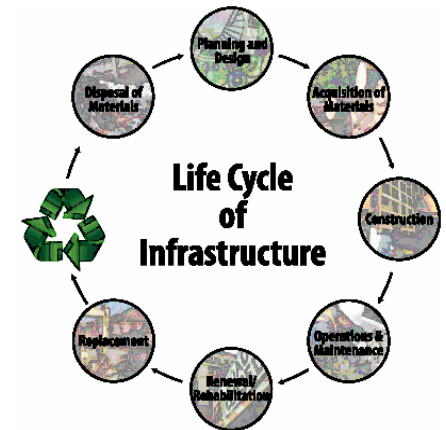


IN-HOUSE RENOVATION FUND -1003

FY2015 EXPENDITURE HIGHLIGHTS



- 66.8 FTEs transferring from the General Fund.
- Additional funding for asset maintenance, renewal and replacement.
- Transfer of \$10,961,542 from the General Fund for preventive and corrective maintenance.
- Continue to address Facility Maintenance and Security Equipment Assessments.
- Maintain, upgrade and replace building security and HVAC, chillers and electrical systems.
- Promote cost-effective programs that provide safe, secure, clean and efficient environments for the citizens of Houston and City personnel.



APPENDIX

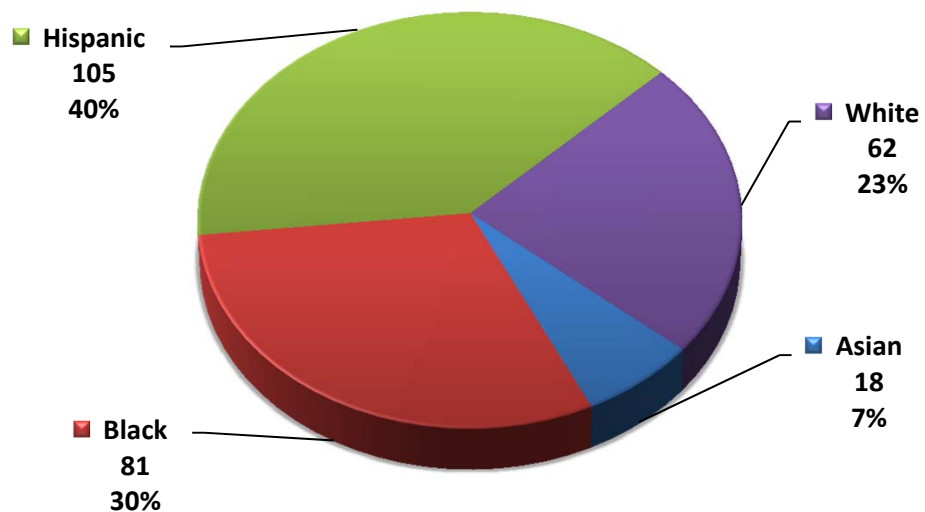


- **DEMOGRAPHIC PROFILE**
- **OVERVIEW OF ALL FUNDS**
- **OVERVIEW OF CITYWIDE ELECTRICITY AND NATURAL GAS COSTS**
- **WORK ORDERS MANAGEMENT**
- **BUILDING PORTFOLIO**
- **CORE SERVICES MATRIX**

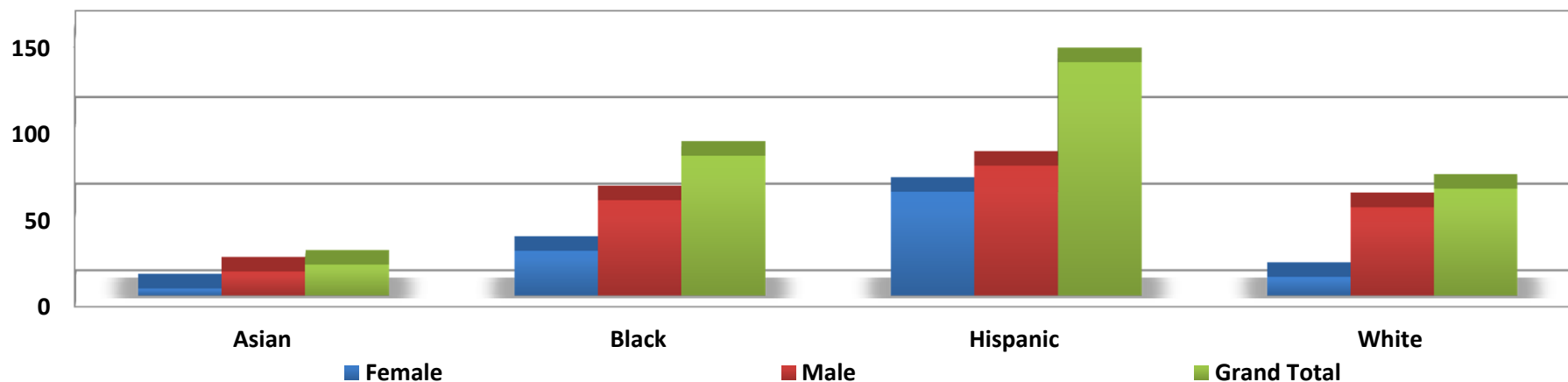
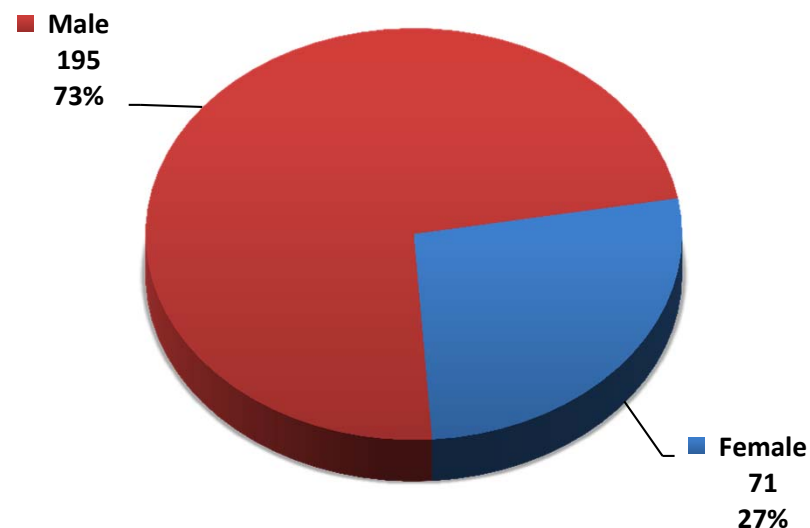
DEMOGRAPHIC PROFILE



Department Employee Ethnicity Profile



Department Employee Gender Profile

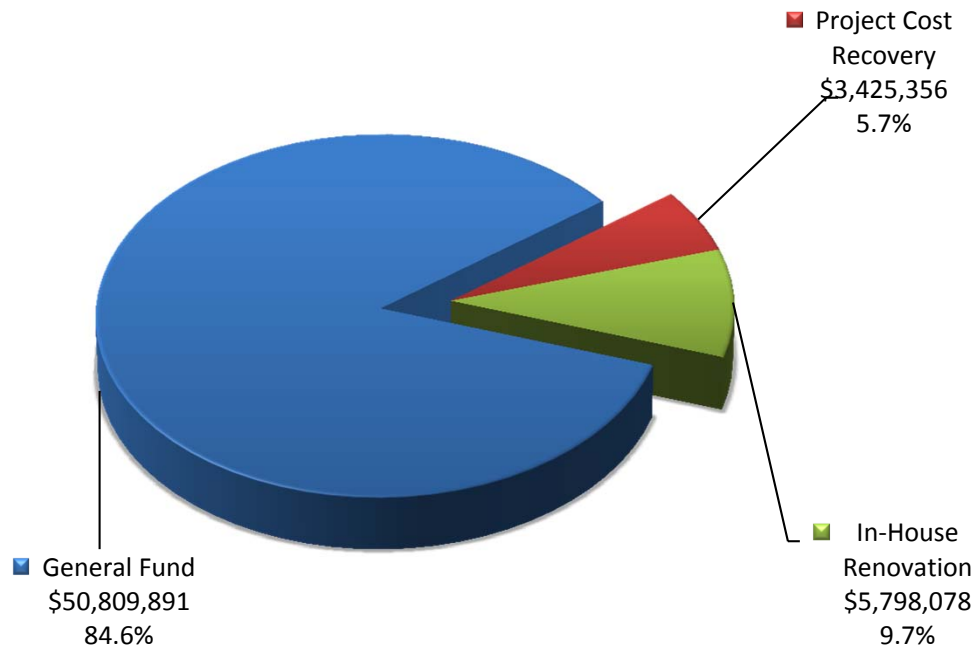


TOTAL NUMBER OF EMPLOYEES: 266

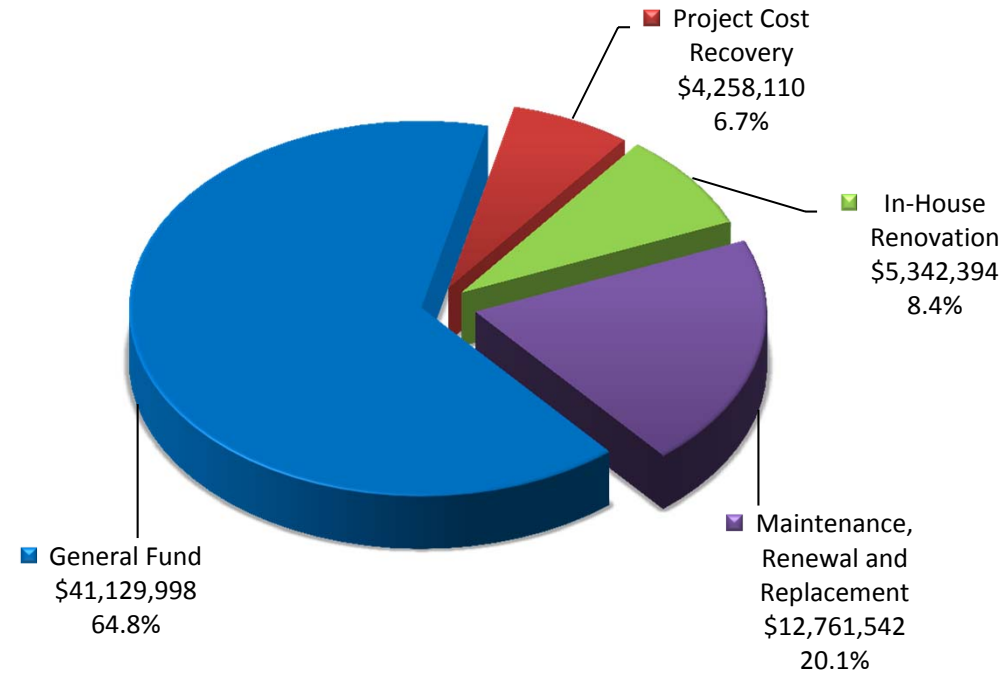
OVERVIEW OF ALL FUNDS



FY2014 CURRENT BUDGET



FY2015 PROPOSED BUDGET



\$60,033,325

\$63,492,044

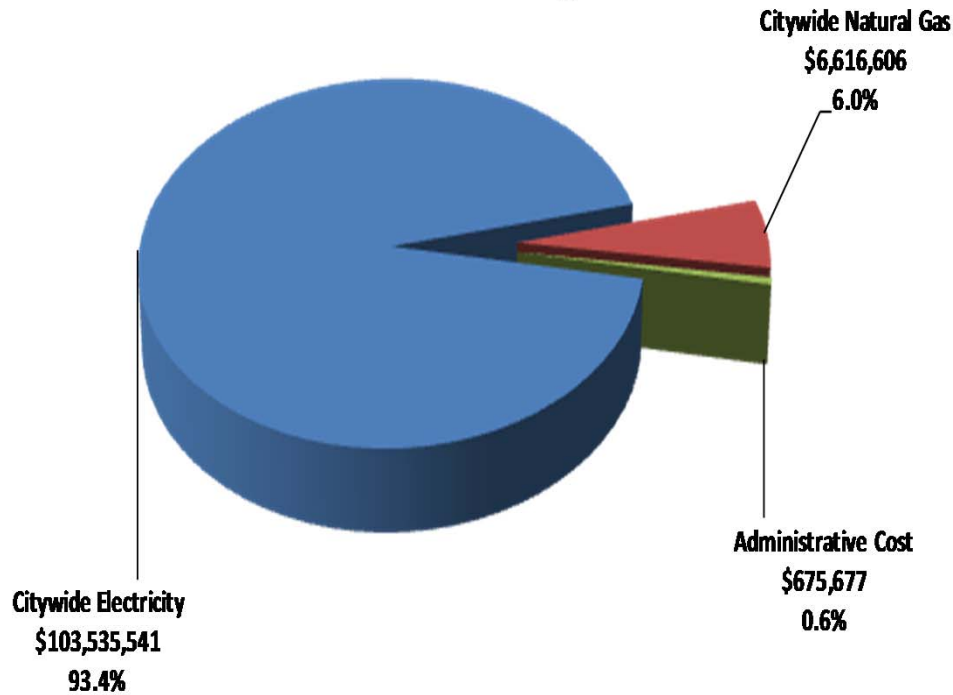
**Net Change
\$3,458,719**

TOTAL: \$63,492,044

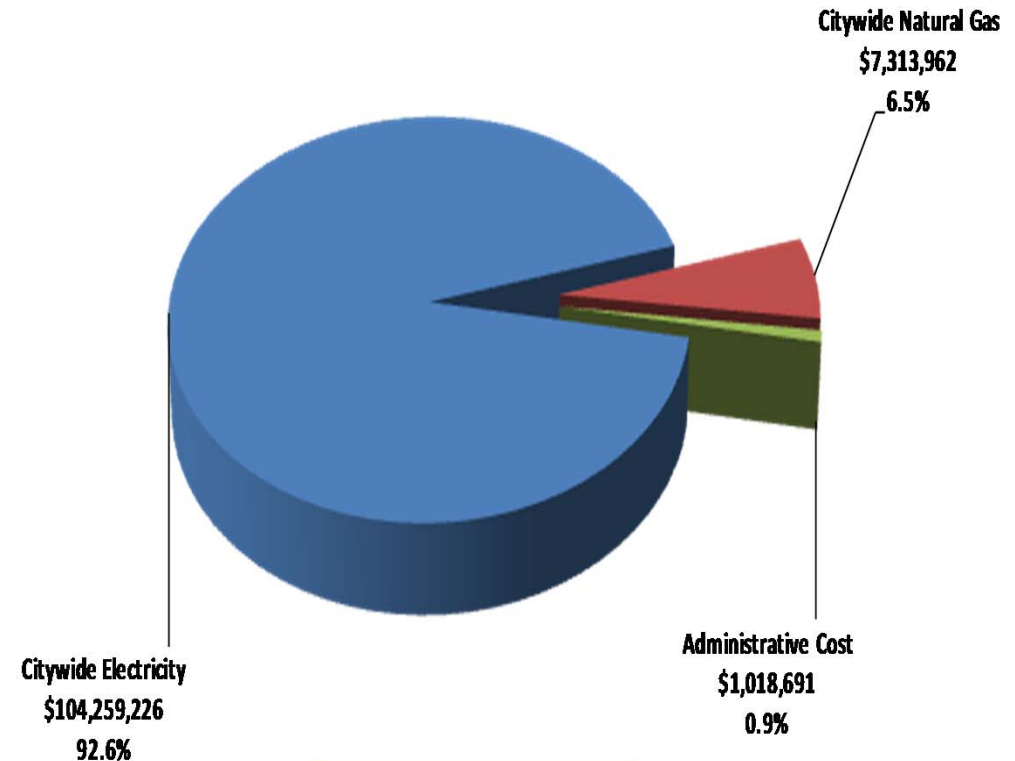


CITYWIDE ELECTRICITY AND NATURAL GAS COSTS

FY2014 Current Budget



FY2015 Proposed Budget



\$110,827,824

\$112,591,879

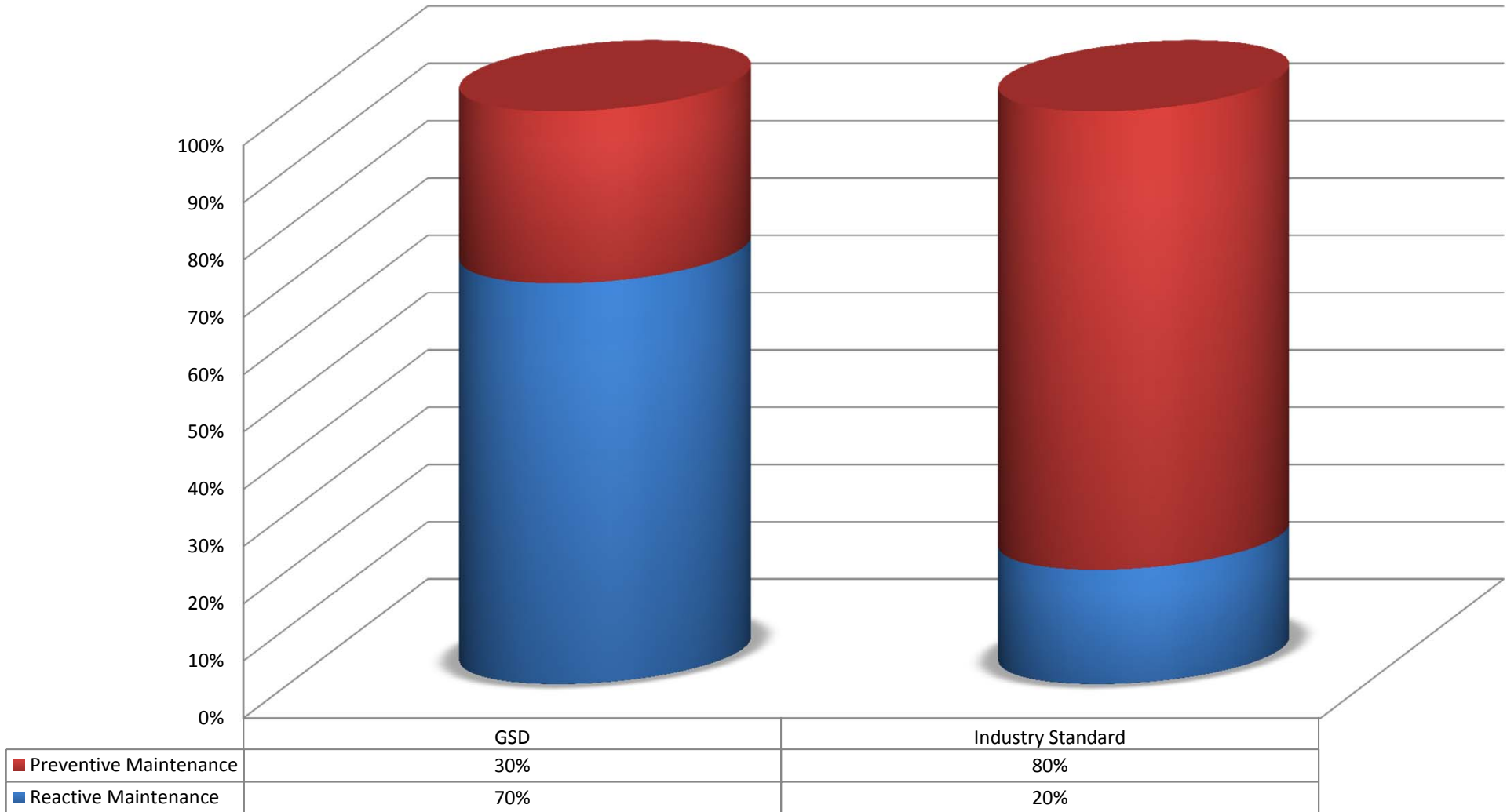
Net Change
1,764,055

CENTRAL SERVICE REVOLVING FUND (1002)

WORK ORDERS MANAGEMENT



PREVENTIVE MAINTENANCE VS. REACTIVE MAINTENANCE



GENERAL SERVICES DEPARTMENT

SNAPSHOT OF BUILDING PORTFOLIO



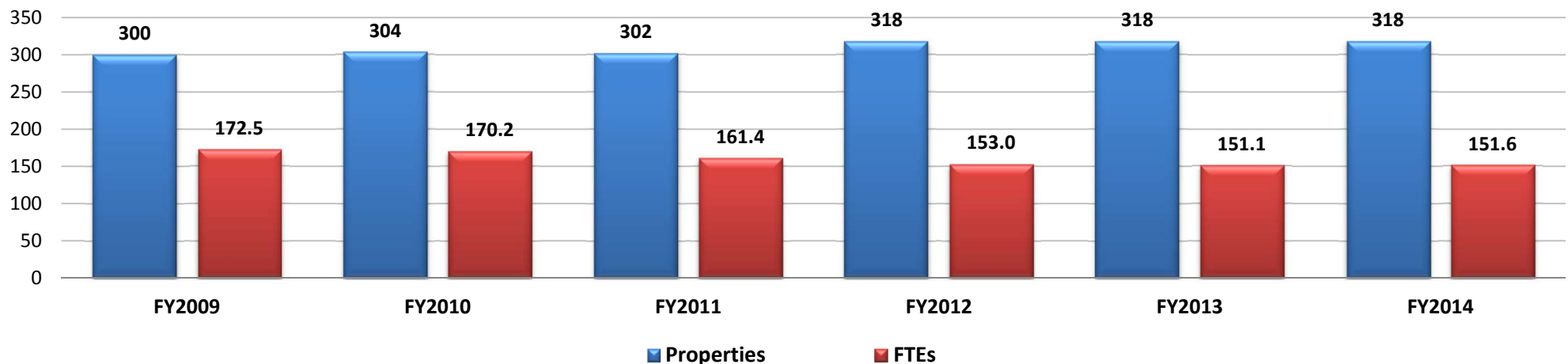
PROPERTY MANAGEMENT

Average Age of Buildings

City Building Characteristics	City of Houston	Nationwide *
Average Age	36	42
Median Date Built	1975	N/A
Built before 1950	4%	28%
Built between 1950 and 1969	30%	45%
Built between 1970 and 1984	33%	17%
Built after 1985	33%	10%

*2012 Parsons Facilities Condition Assessment Report

FTEs vs. Properties



CORE SERVICES MATRIX



Activities/Description	(\$ Thousands)			Annual Projected FTEs	Mark with (X) if applicable.					
	Annual Projected Personnel Cost	Annual Projected Supplies & Services Cost	Total Annual Cost		Mandated	Direct Service	Administrative	General Fund	Special Revenue Fund	Chargeback Fund
Operating Funds										
Real Estate - Responsible for acquisition, disposition and leasing of real estate assets. (HAS not included). Develops policies and procedures that result in realizing the greatest value on all dispositions and acquisitions. To differentiate with PWE, PWE acquires land and easements as necessary for public works improvements including streets and wet utilities, whereas GSD acquires, sells, and leases land, buildings, and building space on behalf of our client departments including PWE.	\$700,740	\$101,148	\$801,888	6.0			X	1000		
Leasing - Facilitated over 203 leases representing 786,193 square feet of building space and 10,924 acres of land, both as Lessor and Lessee.		\$1,724,119	\$1,724,119					1000		
Subtotal - Real Estate	\$700,740	\$1,825,267	\$2,526,007	6.0						
Environmental - Administers various contracts that provide environmental site assessments; lead and asbestos determinations and removals; underground storage tank removals/replacements; mold remediation, geotechnical investigations; and materials testing. In addition, the Group works with PWE's Neighborhood Protection Division and the Land Assemblage Redevelopment Authority. This Group manages the following citywide activities: (Abate all homes prior to Demolition Derby) • Asbestos/Lead Abatement associated with demolitions • Storage Tank Removals/Replacement/ Cleanup • Soil Remediation of Contamination • Environmental Site Assessments • Fuel Tank Upgrades	\$337,499	\$6,245	\$343,744	3.0			X	1000		1001
Division Total	\$1,038,239	\$1,831,512	\$2,869,751	9.0						

STRATEGIC PLANNING & ASSET MANAGEMENT DIVISION

CORE SERVICES MATRIX



Activities/Description	(\$ Thousands)			Annual Projected FTEs	Mark with (X) if applicable.					
	Annual Projected Personnel Cost	Annual Projected Supplies & Services Cost	Total Annual Cost		Mandated	Direct Service	Administrative	General Fund	Special Revenue Fund	Chargeback Fund
Janitorial / Operations - Routine maintenance , restroom cleaning, dusting, floor mopping, stripping, waxing, sweeping, vacuuming, polishing, wall cleaning, restroom, monitoring and replacement of dispensed personal hygiene supplies and waste materials collection and disposal.	\$6,131,950	\$8,089,258	\$14,221,208	94.5				1000		
Repairs/Maintenance - Tasks related to physical plant operations and mechanical systems include oversight and maintenance of building automation systems, boilers, chillers, elevators, escalators, pumps, life safety systems, generators and electrical switch gear. Staff members also ensure permits and code requirements are current, daily/annual inspections are performed, equipment is operated safely and efficiently and water treatment procedures are implemented. Trade related repair and maintenance activities pertaining to building structural issues, utility delivery, climate control and aesthetics include carpentry, plumbing, HVAC and painting. Staff members requisition materials and equipment to execute daily work orders to complete necessary stakeholder requests for services.	\$5,002,985	\$7,621,576	\$12,624,561	72.8			X		2222	
BUDGETARY NOTE: Of the total annual operating budget for Property Management, \$10,695,242 include costs for electricity, natural gas, fuel, sewer, drainage, and insurance for facilities managed by GSD.		\$15,391,298	\$15,391,298					1000		

PROPERTY MANAGEMENT DIVISION

CORE SERVICES MATRIX



Activities/Description	(\$ Thousands)			Annual Projected FTEs	Mark with (X) if applicable.					
	Annual Projected Personnel Cost	Annual Projected Supplies & Services Cost	Total Annual Cost		Mandated	Direct Service	Administrative	General Fund	Special Revenue Fund	Chargeback Fund
In-House Renovation - Primary focus is the renovation and re-construction of fire stations. In conjunction with these efforts, several work space renovations are completed annually within the City's building portfolio and are billed back to the respective department. Trade related facility renovation activities pertaining to build outs, up grades, building functionality, structural issues, and expansion needs requested by stakeholder departments. Services include carpentry, plumbing, HVAC and painting via in-house staff or contracted services. Staff members requisition materials and equipment needed to execute tasks per architectural drawings. The Group works closely with PWE's permitting section and code enforcement to ensure building construction requirements are followed and with stakeholder departments to coordinate completion timeframes so transitional efforts are considered.	\$2,713,891	\$2,990,566	\$5,704,457	34.0			X	1000		1003
Grounds Maintenance - Property Management manages landscape contract that maintains HPD properties, Fire Department Logistics, and various Health Department properties. NOTE: The Parks and Recreation Department maintains the grounds for City Hall, City Hall Annex, Libraries and at the major Health Centers.		\$438,216	\$438,216							
Division Total	\$13,848,826	\$34,530,914	\$48,379,740	201.3						

PROPERTY MANAGEMENT DIVISION (CONT...)

CORE SERVICES MATRIX



Activities/Description	(\$ Thousands)			Annual Projected FTEs	Mandated	Mark with (X) if applicable.				
	Annual Projected Personnel Cost	Annual Projected Supplies & Services Cost	Total Annual Cost			Direct Service	Administrative	General Fund	Special Revenue Fund	Chargeback Fund
Design and Construction - Manages the planning, design, construction and civic art administration of all new and/or renovated City facilities for all departments except HAS; facilitates the development of project scope; procures and negotiates design services; manages design contracts and coordinates civic art implementation; reviews drawings and specifications; facilitates the permit process; procures construction services; manages construction contracts; monitors construction; oversees commissioning of the building and LEED certification; facilitates the completion of warranty work.	\$4,402,677	\$263,039	\$4,665,716	39.4			X	1000		1001
In-House Planning & Design Group -performs interior design and construction projects that are less than \$1MM in size; provides space utilization services; processes furniture requests, establishes and oversees furniture standardization; manages relocations.							X	1000		1001
Job/Task Order Contract - Manages minor design and construction projects (Job/Task Order Contracts) for all City departments excluding HAS. These projects are \$350,000 or less.							X			1001
Division Total	\$4,402,677	\$263,039	\$4,665,716	39.4						

DESIGN & CONSTRUCTION DIVISION

CORE SERVICES MATRIX



Activities/Description	(\$ Thousands)			Annual Projected FTEs	Mandated	Mark with (X) if applicable.				
	Annual Projected Personnel Cost	Annual Projected Supplies & Services Cost	Total Annual Cost			Direct Service	Administrative	General Fund	Special Revenue Fund	Chargeback Fund
Security Management - Manages physical security of all city facilities which include closed circuit TV, access control, and intrusion alarm systems; manages citywide security contract; investigates City lost/stolen assets and processes access changes and identification badges annually.	\$1,579,835	\$165,713	\$1,745,548	16.8			X	1000		
Security Contract Management - Manages \$56MM citywide Security Guard Contract. Schedules more than 100 guard posts each week at various city facilities, e.g., City Hall, City Hall Annex, 611 Walker, HEC, HFD Administration, City Hall Annex Parking Garage, ARA BARC, ARA Central Permitting Center, Library and Health facilities.		\$3,880,613	\$3,880,613					1000		
Preventive Maintenance/CyberLock Electronic Key Program	\$136,981	\$0	\$136,981	2.0					2222	
Graffiti Abatement Program - Responsible for administering graffiti removal contract with Greater East End Management District.	\$35,430	\$68,918	\$104,348	0.5			X	1000		
Division Total	\$1.752.246	\$4.115.244	\$5.867.490	19.3						

SECURITY MANAGEMENT DIVISION

CORE SERVICES MATRIX



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